

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

***RHODE ISLAND DEPARTMENT OF HEALTH
3 CAPITOL HILL, ROOM 410
PROVIDENCE, RHODE ISLAND 02908
(401) 222-4727
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**AMENDED REQUEST FOR QUALIFICATIONS
TO PROVIDE EXPERT AND/OR CONSULTANT SERVICES TO
THE RHODE ISLAND DEPARTMENT OF HEALTH**

**Issued February 2008
Amended 7 March 2008
Amended 15 April 2008**

PROPOSALS DUE BY 4:30 P.M., ON 30 MAY 2008

Address to:

**Michael K. Dexter
Chief, Office of Health Systems Development
Rhode Island Department of Health
Three Capitol Hill
Providence, Rhode Island 02908**

I. Introduction and General Information

The Rhode Island Department of Health (“HEALTH”) is requesting that individuals and/or firms (the “offering parties”) provide qualifications to provide expert and/or consultant services to HEALTH regarding the review of the anticipated application of Lifespan Corporation and Care New England Health System (the “Transacting Parties”) under the Rhode Island Hospital Conversions Act [Rhode Island General Laws, Chapter 23-17.14 (the “Act”)]. The expert(s) and/or consultant(s) (the “selected offering parties”), engaged by the Director of HEALTH will provide the Director of HEALTH with analyses and expert and/or consultant services related to the proposed affiliation and the applicable statutory and regulatory review criteria. All costs relating to the selected offering parties’ services incurred under this arrangement are the responsibility of the Transacting Parties in an amount to be determined by the Director of HEALTH as the Director of HEALTH deems appropriate. The selected offering parties may also serve as expert witness(es) in any litigation or proceedings that may result from HEALTH’s review and determination regarding the proposed affiliation, as required.

HEALTH reserves the right to reject any and all proposals with or without cause and to accept one or more proposals it considers most favorable to HEALTH. HEALTH also reserves the right to solicit additional proposals from other potential offering parties following the response date for this solicitation. Further, HEALTH also reserves the right to negotiate further the terms of any proposed engagement, including the fees to be charged.

HEALTH shall not be liable for any cost incurred in replying to this Request for Qualifications (“RFQ”) or in connection with any negotiation relating to this RFQ. HEALTH will retain all proposals and related material.

HEALTH will make comparisons among the proposals submitted and will select those that best meet its needs as determined in its sole discretion.

II. Background Information

The Act was enacted in 1997 by the Rhode Island General Assembly. [The statute may be accessed at: <http://www.rilin.state.ri.us/Statutes/TITLE23/23-17.14/INDEX.HTM> and HEALTH promulgated “Rules and Regulations Pertaining to Hospital Conversions” may be accessed at: <http://www2.sec.state.ri.us/dar/regdocs/released/pdf/DOH/4378.pdf>] The Act established an explicit process and criteria for the prior review and approval by the Rhode Island Attorney General and the Director of Health of any conversion of a licensed hospital, whether the acquiring party is a for-profit or a not-for-profit entity.

HEALTH has been advised that the Transacting Parties have entered into an Affiliation Agreement. The Affiliation Agreement will be available upon request. The proposed affiliation is subject to the provisions of the Act and must be approved by both the Attorney General and the Director of Health. The proposed affiliation, if approved and implemented, would result in conversions of Lifespan Corporation's affiliated hospitals (Rhode Island Hospital, The Miriam Hospital, Bradley Hospital, and Newport Hospital) and would also result in the conversions of Care New England Health System's affiliated hospitals (Kent County Memorial Hospital, Butler Hospital, and Women and Infants' Hospital).

III. Scope of Services

HEALTH is seeking offering parties to provide expert(s) and/or consultant(s) including, but not limited to, actuaries, investment bankers, accountants, attorneys, health economists, specialists in hospital quality, or industry analysts to analyze the impacts of the proposed affiliation on the provision of health care in Rhode Island. In reviewing the anticipated application, HEALTH is seeking selecting offering parties' consultation, analyses, and reports regarding the following criteria:

- a) Whether the character, commitment, competence, and standing in the community, or any other communities served by the proposed transacting parties are satisfactory;
- b) Whether sufficient safeguards are included to assure the affected community continued access to affordable care;
- c) Whether the transacting parties have provided satisfactory evidence that the new hospital will provide health care and appropriate access with respect to traditionally underserved populations, including racial and ethnic minority populations, in the affected community;
- d) Whether procedures or safeguards ensure that ownership interests will not be used as incentives for hospital employees or physicians to refer patients to the hospital;
- e) Whether the transacting parties have made a commitment to ensure the continuation of collective bargaining rights, if applicable, and retention of the workplace;
- f) Whether the transacting parties have appropriately accounted for employment needs at the facility and addressed workforce retraining needed as a consequence of any proposed restructuring;
- g) Whether the conversion demonstrates that the public interest will be served considering the essential medical services needed to provide safe and adequate

treatment, appropriate access and balanced health care delivery to the residents of the state; and

- h) Issues of market share especially as they affect quality, access, and affordability of services.

Expertise, as it relates to any and all of the above criteria, a) through h), is required, including: health care; hospital services; health care law; health economics; the impact of affiliations/mergers on hospital pricing to consumers; the impact on rates and health insurance premiums; the measurement of hospital quality; hospital mergers/affiliations/sales; market share; hospital volume; hospital clinical integration; use of sale proceeds; health care workforce; primary care and prevention; access; and uncompensated care. Services will include attendance at some meetings with HEALTH. Further, services may include provision of expert testimony on behalf of HEALTH in any litigation that may result from the review of and decision regarding the proposed affiliation.

Offering parties that are able to provide part, but not the full scope of services identified above, are requested to indicate clearly those areas of expertise where they can provide services and those for which they cannot.

Prior experience with similar engagements is desired. All offering parties must demonstrate that the staff assigned to the engagement meet the highest standards of professional competence and ethics and possess strong writing and analytical skills.

Selected offering parties shall be responsive to HEALTH by providing appropriate analyses as and when needed and as questions arise, including being physically present at HEALTH, periodically, as may be necessary.

The initial term of the engagement is anticipated to be one hundred and eighty (180) days. Billing rates must be guaranteed for the term of the contract.

IV. Payment Terms

Section 23-17.14-13 of the Act provides as follows:

§ 23-17.14-13 Reports, use of experts, costs. – The department of health or the department of attorney general may in effectuating the purposes of this chapter engage experts or consultants including, but not limited to, actuaries, investment bankers, accountants, attorneys, or industry analysts. All copies of reports prepared by experts and consultants, and costs associated with the reports, shall be made available to the Transacting Parties and to the public. All costs incurred under this provision shall be the responsibility of one or more Transacting Parties in an amount to be determined by the attorney general or the director as they deem appropriate. No application for a conversion made pursuant to the requirements of

this chapter shall be considered complete unless an agreement has been executed with the attorney general or the director for the payment of costs in accordance with this section.

HEALTH will enter into a Memorandum of Understanding (“MOU”) with the selected offering parties. A copy of the form of the MOU will be available upon request.

V. Submission of Proposals

A. Closing Date and Place to Submit Proposals

Written proposals offering to provide the requested services must be either hand delivered or received via regular mail or overnight delivery. **Proposals must be received no later than 4:30 p.m. on May 30, 2008 to be considered.** HEALTH accepts no responsibility for lost and/or late delivery of proposals.

Proposals should be addressed to:

Michael K. Dexter
Chief, Office of Health Systems Development
Rhode Island Department of Health
3 Capitol Hill, Room 410
Providence, RI 02908

Each proposal package will be date stamped when received. Proposals that arrive late for any reason whatsoever, including delay beyond the control of the offering party, may be returned unopened to the offering parties.

B. Sealed Proposal Envelope

Offering parties shall submit one (1) original and three (3) copies of the proposal in a sealed envelope(s).

C. Preparation of Proposal

Each proposal must conform to the requirements of this RFQ.

D. Communications

Questions regarding the information presented in this RFQ should be received in writing via facsimile transmission at (401) 222-3017 to the attention of Michael K. Dexter, or via e-mail to Michael.DexterHCA@health.ri.gov **no later than 4:30 p.m. EST on May 15, 2008.** No member or other representative of the offering parties may communicate orally, in written form, or otherwise, with the Transacting Parties or with any person representing the Transacting Parties.

VI. Contents of Proposal

Proposals should be designed so as to cover the content required by this RFQ.

A. Cover Letter

The proposal must be accompanied by a cover letter, which will be considered an integral part of the proposal package, dated and signed by the individual or individuals authorized to bind the offering party contractually. The cover letter must indicate that the signer is so authorized, and must indicate the title or position the signatory holds in the offering party. An unsigned proposal will be rejected. The letter must also contain a statement from the offering party's Managing Partner or Chief Executive Officer certifying that:

1. no member of the offering party communicated orally, in written form, or otherwise with the Transacting Parties from the date of this RFQ through the date of the offering party's proposal.
2. all information in the offering party's proposal is true and correct to the best of his/her knowledge.

B. Information about the Offering Party

Each proposal must provide the information requested below, in the following order:

1. Provide a brief description of offering party, including the offering party's history, the number of expert(s) and/or consultant(s), the location of office(s), and the number of expert(s) and/or consultant(s) specializing in health care; hospital services; health care law; health economics; the impact of affiliations/mergers on hospital pricing to consumers; the impact on rates and health insurance premiums; the measurement of hospital quality; hospital mergers/affiliations/sales (and their location); market share; hospital volume; hospital clinical integration; use of sale proceeds; health care workforce; primary care and prevention; access; and uncompensated care.
2. Describe offering party's experience and qualifications in the above-described areas with particular emphasis on hospital mergers/affiliations/sales, including recent instances in which you have represented governmental agencies or private entities in such matters. With respect to these engagements, please provide a detailed listing of relevant experience that the offering party has had in performing similar projects within the last five (5) years, including the project dates, the name

of the client, number of years serving this client, the names of members of the offering party dealing with this client. Please describe the purpose of the project, the offering party's specific role, whether live testimony was given and whether such testimony was subject to cross-examination.

3. Describe in detail the offering party's proposed work plan and related budget that will support HEALTH's consideration of the specific review criteria. Include a detailed timeline for each component of the proposed work plan. [Note: The Act provides a maximum of one hundred and eighty (180) days for review and decision by the Director of Health and time is of the essence. A maximum of one hundred and fifty (150) days is contemplated by HEALTH for the development of the final report by the offering parties engaged under this solicitation.] The proposed work plan and budget should also contemplate the provision of continuing support to HEALTH throughout the pendency of the review.
4. Demonstrate that the offering party will assure the dedication of adequate consultative resources to HEALTH. Additionally, provide a description of the database, if any, which is maintained by the offering party and how such database may be utilized in the performance of expert and/or consultant services.
5. Describe the offering party's diversity policies and practices. Describe the affirmative action programs undertaken by the offering party and the number and percentage of minorities and women who are either expert(s) and/or consultant(s).
6. Identify the expert(s) and/or consultant(s) who would be directly assigned to the engagement, provide their resumes, and briefly describe their background. Also identify what each professional's responsibilities would be in fulfilling the engagement.
7. Describe the offering party's knowledge of and experience regarding health care; hospital services; health care law; health economics; the impact of affiliations/mergers on hospital pricing to consumers; the impact on rates and health insurance premiums; the measurement of hospital quality; hospital mergers/affiliations/sales (and their location); market share; hospital volume; hospital clinical integration; use of sale proceeds; health care workforce; primary care and prevention; access; and uncompensated care.
8. Provide a detail description of the approach that the offering party would take in performing the expert and/or consultant services and the rationale for the proposed approach. Additionally, describe the approaches that will be taken to help HEALTH control expert and/or consultant costs.

9. Detail any criminal investigation or pertinent litigation pending against the offering party and its expert(s) and/or consultant(s) as well as any comparable matter that has been concluded within the past three (3) years. Describe any pending or threatened investigation by any federal or state agency.
10. Identify any actual or potential conflicts of interest that may arise as a result of the offering party's selection for the proposed engagement. Describe in detail the nature of the conflicts and what specific actions or safeguards would be effected to preclude any conflict of interest.
11. Discuss how the offering party deals with professional ethics in connection with representation of clients. (e.g., What does the offering party do to ensure that there are no conflicts of interest? What process do you maintain so as to provide a consistent high standard of professional ethics?)
12. Indicate all cases in which the offering party was dismissed as a consultant to governmental agencies or private entities with respect to representation similar to the one called for in this RFQ.
13. Provide a list of references relating to similar engagements, identifying for each reference a contact person by name, title, address, telephone, and facsimile number to whom HEALTH may make inquiries.
14. A detailed fee proposal including hourly rates, expenses, and an estimated maximum total cost (not to be exceeded in any event for the completion of the contract as proposed). The detailed fee proposal shall separate the cost for document retrieval and litigation support, including, but not limited to, scanning or otherwise storing documents electronically. The fee proposal shall be submitted including and excluding the cost for document retrieval and litigation support to this office. The detailed fee proposal shall contain an official offer to undertake the contract at the cost quoted, including the dates during which the offer remains valid. Also, provide a detailed explanation of any other charges to be assessed in relation to the proposed provision of expert and/or consultant services to HEALTH.
15. List any books or publications that members of the offering party have published that would be of interest to HEALTH.
16. Please certify that the offering party is in compliance with Title 17, chapter 27 of the Rhode Island General Laws with respect to the reporting of any contributions made to a candidate for public office in the State of Rhode Island.

17. Please indicate the cost and availability of the individuals provided under this proposed engagement for purposes of assisting HEALTH in any subsequent related litigation (e.g., administrative or judicial appeals).
18. Discuss any topics not covered in the RFQ that you would like to bring to the attention of HEALTH.

VII. Evaluation and Selection Process

The primary objective of the evaluation process will be to secure compatible, highly skilled, diligent, responsive, professional, and experienced personnel who will provide quality expert and/or consultant services to HEALTH regarding the proposed affiliation at a competitive rate. The evaluation process will be structured to select offering parties that clearly demonstrate:

- A thorough understanding of the scope of the engagement and the specific contract responsibilities
- An effective work plan that covers the proposed services in a timely fashion
- Adequate resources to handle both the anticipated assignments and any extenuating circumstances that may arise during the contract period
- An untainted reputation for providing quality expert and/or consultant services in the areas of interest to HEALTH
- Competitiveness in terms of billing rates and other related charges

During the evaluation process, the offering parties' personnel that would be assigned to this proposed engagement may be asked to provide written clarification of any part of the proposal. HEALTH reserves the right to negotiate additions, deletions, or modifications to the terms of the proposed engagement, including the fees proposed by the responding offering parties. Any engagement of a responding offering party will be contingent on the ability of HEALTH to obtain satisfactory business terms. If an engagement is entered, the selected offering parties will be the offering parties whose proposals conform to the conditions and requirements of this RFQ and whose proposals are, in the judgment of HEALTH, the most beneficial to HEALTH.

HEALTH reserves the right to accept or reject any or all proposals submitted, or any part thereof, to waive or not waive any immaterial technicality or irregularity, deviation, or defect in a proposal, or to cancel or withdraw this RFQ at any time, whenever it would be in the best interest of HEALTH to do so. The waiver of an immaterial deviation or defect shall in no way modify the RFQ or excuse the offering party from full compliance with the requirements of the RFQ.

The lowest priced proposal may not necessarily be the chosen proposal.

Issuance of this RFQ, or an offering party's preparation and submittal of a proposal, or subsequent participation in presentations or contract negotiations, creates no obligation on HEALTH to enter an engagement or to pay any costs incurred in the preparation of, or associated in any way, with a proposal.

Proposals that contain false or misleading statements, or that provide references that do not support an attribute or condition claimed by the offering party, may be rejected.

Nothing in this RFQ or any resulting contract shall preclude HEALTH from entering any engagement for services similar to those described herein from other sources.

NOTE: HEALTH reserves the right to terminate the engagement with the selected offering parties if HEALTH determines that the selected offering parties and/or their assigned personnel are not rendering the appropriate services, if there is a change in the status of key partners or associates of the selected offering parties, or for any other reason, in its sole discretion.